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DISTRICT 15



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RAISING MEMBER

JOINT LEGISLATIVE
AUDIT COMMITTEE

ETHICS COMMITTEE

Arizona House of Representatives
Phoenix, Arizona 85007

ORIGINAL

August 20, 2009

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Re: E-01345A-08-0172, APS rate case

Dear Commissioners:

We are writing to encourage you to approve the energy efficiency and renewable energy provisions in the Arizona Public Service (APS) Company rate case settlement. These provisions will help our constituents lower their electric bills, even with the rate increase, reduce pollution, and decrease water use.

The energy efficiency programs in this proposed rate case settlement will result in energy efficiency savings representing 3.75% of the APS retail load by the end of 2012. This will have a significant impact and is important step in helping Arizona meet its future energy needs.

Technical assistance to electric utility customers, especially small businesses and residential customers will reap substantial benefits, as will the rebates for those who invest in energy efficient lighting, air conditioners, and other equipment. They are all good investments for the future and for reducing energy use. Considering the nighttime temperatures in Phoenix this past July, reducing the urban heat island effect should also be a focus of our efficiency efforts in Arizona. Shading, cool roofs, and cool pavements are all ways to help accomplish this.

The draft agreement includes provisions for APS to implement a customer repayment program for certain energy efficiency technologies as well as to promote efficiency in homes, schools, and businesses. Programs in the schools will help them financially and again help reduce overall load – more than 100 schools will be served by programs to reduce electricity demand by December 2010. The settlement agreement also will mean 1000 homes will be served by the Home Performance energy efficiency program by December 2010. Overall, these and other programs will result in energy savings of about 320,000 megawatt hours in 2010.

Energy efficiency is the cleanest as well as the cheapest energy resource we have. The Western Governors' Association *Energy Efficiency Task Force Report* indicates that the average cost for energy efficiency programs is \$0.02 to \$0.03 per lifetime kilowatt-hour (kWh) saved – much

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lower than the cost of new conventional generation and lower than current electric rates. The less electricity we use, the less pollution we generate. That means fewer greenhouse gas emissions, fewer mercury emissions, and less pollution overall. It also means we use less water as most power-generation requires significant amounts of water. It is a true win-win – we reduce pollution, conserve water, and save money.

We also strongly support the ramp-up provisions relative to clean renewable energy. APS will exceed the current Renewable Energy Standard requirements and meet 10% of its retail electric load with clean renewable energy by 2015, should the settlement agreement be approved. It also requires a significant investment in renewable energy projects in schools and government buildings. These will result in both economic and environmental benefits for Arizona.

Finally, we support holding harmless low income customers of APS relative to this rate increase. That, along with the programs to help lower bills via efficiency measures will help those who are struggling in our difficult economy.

Thank you for your work on behalf of the people of Arizona and also for considering our comments as you contemplate the provisions in the APS rate case settlement agreement.

Sincerely,



Representative Kyrsten Sinema



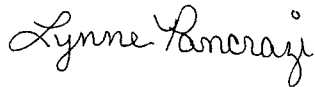
Senator Albert Hale



Representative Jack A. Brown



Representative Matt Heinz



Representative Lynne Pancrazi